

DEPARTMENT OF STATE REVENUE

**LETTER OF FINDINGS NUMBER: 02-0556P
Gross and Adjusted Gross Income Tax
For Calendar Years 1999 and 2000**

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer filed its calendar years 1999 and 2000 returns late and was assessed a late penalty. Taxpayer filed a Federal Extension of time. The Department allows an additional thirty days. The Taxpayer paid \$4,657 and \$3,994 for calendar years 1999 and 2000 respectively on October 13, 2000 and August 8, 2002.

Taxpayer filed a penalty protest dated November 13, 2002. Taxpayer states it applied for an extension and made estimated payments. When the taxpayer calculated its tax liability, it resulted in a balance due. Taxpayer states it included the penalty for underpayment with its tax payment. The taxpayer received notices charging a late payment penalty and interest because payment in full was not received by April 15th. Taxpayer has paid the interest due and requests the waiver of the late payment penalty for calendar years 1999 and 2000.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer protests the penalty assessed for the late payment of tax and has not provided reasonable cause for failure to make payment timely.

IC 6-8.1-6-1 (c) states:

“If the Internal Revenue Service allows a person an extension on his federal income tax return, the corresponding due dates for the person’s Indiana income tax return are automatically extended for the same period as the federal extension, plus thirty (30) days. However, the person must pay at least ninety percent (90%) of the Indiana income tax that is reasonably expected to be due on the original due date by that due date, or he may be subject to the penalties imposed for failure to pay the tax.”

Taxpayer failed to remit its tax timely and has not provided reasonable cause to allow the department to waive the penalty.

FINDING

Taxpayer’s protest is denied.